



DEPARTMENT OF HEALTH & HUMAN SERVICES  
CENTERS FOR MEDICARE & MEDICAID SERVICES  
REGION IX

75 Hawthorne Street  
Suite 408  
San Francisco, CA 94105

MAY 14 2004

Anthony D. Rodgers, Director  
Arizona Health Care Cost Containment System  
801 E. Jefferson  
Phoenix, AZ 85034

Dear Mr. Rodgers:

Enclosed is an approved copy of Arizona State plan amendment (SPA) 04-002, which allows AHCCCS to disregard the amount of the annual Social Security Title II COLA increase until AHCCCS implements the Federal Poverty Level guidelines for the corresponding year. I am approving this SPA with the requested effective date of January 1, 2004.

If you have any questions, please have your staff contact Ronald Reepen at (415) 744-3601.

Sincerely,

*Pat Daley*

*for*

Linda Minamoto  
Associate Regional Administrator  
Division of Medicaid & Children's Health

Enclosure

cc:  
Joan Peterson, CMS, CMSO, FCHPG  
Elliot Weisman, CMS, CMSO, PCPG (two copies)

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: ARIZONA

- II. Except for ALTCS eligibility, including individuals approved for ALTCS acute care services under 1902(a)(10)(A)(ii)(I) of the Act, the following income method applies to aged, blind or disabled individuals covered under 1902(a)(10)(A)(ii)(I) of the Act.

The State shall disregard the amount equal to the difference between 100% of the Federal poverty guidelines (as revised annually in the Federal Register) for an individual or a couple and the corresponding Federal Benefit Rate. (The disregard shall be applied by using 100% of the FPL for an individual or a couple as the income standard.)

When applying this disregard, if the individual or the individual's spouse has earned income, the \$20 and \$65 disregards shall apply according to SSI methodology, but not one-half of the remainder. If ineligible because the one-half of the remainder disregard is not allowed, eligibility shall also be determined using the FBR as the income standard for the individual or couple, allowing the \$20, \$65, and one-half of the remainder disregard according to SSI methodology.

In determining the income of an individual who is receiving Title II (Social Security) income, the State shall disregard the amount attributable to the cost of living increase in the level of monthly income payable pursuant to section 215(i) of the Act, from January until the State implements the Federal Poverty Guideline for the current year.

- III. The following income method applies to TWWIIA individuals covered in Sections #24 and #25 on ATTACHMENT 2.2-A, page 23d under 1902(a)(10)(A)(ii)(XV) and (XVI) of the Act. The State shall follow SSI computation rules with the following exceptions:

- The State shall disregard the unearned income of the applicant/recipient.
- The State shall disregard the earned and unearned income of the spouse and/or any other family members including a deduction for a minor child.

\* More liberal methods may not result in exceeding income limitations under section 1903(f)

\*\* A child is a person, as defined in 20 CFR 416.1856, who is a natural child or adopted child of the applicant/recipient or his or her spouse.